

Auto Insurance in 2008

You have probably heard that change is brewing for all of us who insure a personal automobile in Massachusetts. The plan, approved by the state Insurance Commissioner, calls for a one-year transition from April 1, 2008 through March 31, 2009 from our current system where rates are set by the state to “managed” competition.

During this time there will be no change in how rates will be established based on the basis of sex, race, creed, national origin, religion, occupation, income, education, homeownership, credit score or age. (Drivers age 65 or older will continue to see a reduction in rates as required by state law.) In the remaining 49 states these factors, and more, are routinely used by insurance companies to set auto insurance rates – hence the Commissioner’s use of the term “Managed” Competition for Massachusetts.

What is MAIP (also known as the Massachusetts Auto Insurance Plan)?

The Division of Insurance has adopted a new assigned risk plan referred to as MAIP. MAIP has been created to serve the part of the automobile insurance market that companies do not willingly want to offer policies to. Since Massachusetts law requires that all vehicles be covered by insurance, insurers are required to share equitably in providing coverage even to those drivers whom they would not otherwise do business with (unique to Massachusetts to the best of our knowledge). At this writing, 19 carriers will be participating in the “MAIP” plan. Our office will have access to 100% of all 19 (or more) MAIP carriers.

On November 19, 2007, any insurance company writing personal automobile insurance in Massachusetts is required to file their proposed auto rates effective April 1, 2008, with the Division of Insurance. On November 27th we



will be meeting with nine of these 19 companies. In early 2008, our office will represent a total of 10 of the 19 companies writing personal automobile insurance in Massachusetts. This means that as a client of Anderson Insurance Services, Inc., you will have access to more than half of the automobile insurance companies operating in Massachusetts in 2008. We have the automation and the support staff to find the program that is best suited for your coverage and budget! Please visit our Web site at www.andersongroup.us for regular updated information.

Will we still be writing personal auto insurance with Commerce Insurance?

Absolutely! The Board of Directors of Commerce Insurance recently agreed to pursue a merger with a European company known as

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Preventing Burglary: Some Basic Steps



The U.S. Department of Justice reports that there have been more than 2 million burglaries each year since 2000. It's projected that one out of every 10 homes will be burglarized this year.

Other facts about burglary:

- Most (62%) residential burglaries occur during daylight hours.
- The most burglaries are recorded in July. The fewest are reported in February.
- By region, the South has the most burglaries, followed by the West, Midwest and Northeast.
- The average loss from a residential burglary is \$1,607.

Although burglars use several ways to enter homes, one of the most common methods is through unlocked doors. Most break-ins could be better described as walk-ins—burglaries essential allowed by property owners who neglect to lock their doors.

Door alarms (some are inexpensive), motion-sensitive lighting, proper control of brush around entrances and windows, and security systems can enhance burglary prevention. Some of these precautions might even earn you premium discounts. Call to see if your carrier offers discount incentives, and remember to practice basic burglary prevention measures. •

Auto Insurance in 2008 (cont.)

MAPFRE with a target date to coincide around the same time that MAIP becomes effective. Commerce/MAPFRE will use Webster, Mass., as the base for its U.S. operations. We view this as very positive news. Commerce is the largest writer of automobile and homeowners insurance in Massachusetts. The proposed merger with MAPFRE will increase their total assets from slightly under \$2 billion dollars to in excess of \$17 billion dollars. This move is being made, in our opinion, to protect and increase Commerce's already dominating market share in the state. We anticipate that Commerce will continue to be the competition for Massachusetts personal insurance in 2008 and well beyond. However, no one company can unilaterally be the most competitive across the state 100% of the time, and for that reason we are adding nine new auto insurance companies for 2008.

Where do we go from here?

From what we hear from the Division of Insurance, we expect that rates in Massachusetts will decline on average

in 2008. Though it is unlikely rate decreases will be uniform across the state, we do expect that good drivers with a clean driving record, regardless of where you live, will enjoy additional premium reductions!

There are at this writing more unanswered questions about how managed competition will be implemented and priced than answers. We will keep you informed along this journey over the coming months on our Web site, e-mail, newsletters and of course by regular mail.

Please contact any of our licensed professionals or myself with any questions you may have Monday through Friday at 781-834-6578 between the hours of 8:30am and 5:00pm eastern time, on our Web site using Live Chat, or by e-mailing insureme@insuremass.com.

Thank you for your continued confidence and business.

Peter T. Anderson, CEO

Handwritten signature of Peter T. Anderson.

Saving on Life Insurance

Providing for those who depend on you includes protecting them from the financial consequences of your death. But, as with all investments, keeping payments low is a consideration.

Here are three ways buyers have historically saved money on life insurance:

1. Buy early. Younger, healthier people usually can buy insurance at lower premiums. Additionally, if you buy a policy that couples a death benefit with an investment or savings vehicle, buying early gives your policy more time to accumulate value.

2. Something is better than nothing. While a more complex life insurance policy, such as universal life or whole life, may be ideal, a less expensive term life policy may still help you achieve your goal of financial security for your dependents if you die prematurely.

3. Check renewal information when you buy. It may cost extra at first, but many policies will offer guaranteed renewal programs where you can continue to purchase coverage without re-qualifying. As you age and your health deteriorates, this may prove to be a valuable, cost-saving feature. •

Are You Prepared?

Natural disasters are inevitable. To help prevent a natural disaster from becoming a personal disaster for you and your family, consider the following tips for disaster preparation.

1. Know what your insurance will cover. Adequate limits are imperative, but so is an understanding of what the policy will cover and what it will not. Review your policy and look for specific information on natural disasters that may be more common in your area, such as windstorm, earthquake or flood.

2. Safeguard your records. Make copies of important insurance and financial documents and have them stored in a safe place.

3. Check your funds. If a natural disaster hits your community and



causes a prolonged power outage or infrastructure problems, it may not be possible for you to access your money. Banks may be closed and

ATMs may not work.

4. Consider bills. If phone, Internet or mail service is interrupted by a natural disaster, it may not be possible to make payments. If you know something bad is coming, pay bills early to buy yourself as much time as possible.

5. Prepare for communication with your insurance providers. Have the names, phone and policy numbers of all insurance products, providers and agents in your wallet, purse or pocket. If a disaster strikes, you will need to contact these people quickly. •

Reduce Your Auto Accident Risk

One in every four auto crashes involves a distracted driver—someone who for whatever reason was not paying full attention to the road.

There are many factors that are considered distractions, and they can prove deadly. Accidents involving distracted drivers are the leading cause of death for 15- to 20-year-old drivers.

Drivers should realize just how serious a seemingly harmless distraction can be. For this reason, the U.S. Department of Transportation and National Highway Traffic Safety Administration developed www.distracteddriving.org—a Web site dedicated to collecting information on what distracts driv-

ers and eventually causes accidents. Leading causes include:

- Talking on the phone
- Eating
- Changing a CD, tuning the radio, or shuffling songs on an MP3 player
- Applying makeup
- Reaching into the back seat.

The list of possible distractions seems endless. However, encourag-



ing drivers to take steps to avoid and eliminate distractions is a proven method of reducing accidents. For more information, visit www.distracteddriving.org. •



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Protecting Santa's Workshop

Your home may be starting to look like Santa's workshop right about now. A new plasma screen TV, a state-of-the-art cell phone for your spouse, that game system the kids have been begging for: There's something to please everyone. If you are buying and stashing high-end items to put under the tree or to send to the relatives, you need to take some photos and store some receipts outside the home in case of fire or another catastrophe.

If you are surprising someone (or get surprised yourself) with big-ticket gifts such as jewelry, art or collectibles, you'll need to let your Anderson agent know. Oftentimes, those types of items need to be insured separately.

And remember not to wait until the gifts are unwrapped. You can update your policy again after the holidays if you need to, but make sure your insurance covers those special gifts as soon as you purchase them. ●

For more information about your personal insurance needs, call us or fill out this form and fax it in today!
 Fax: (781) 837-3756

Thank you for your referrals.
 If you're pleased with us, spread the word! We'll be happy to give the same great service to all of your friends and business associates.

Please call me about:

- My home insurance protection
- Car insurance
- Boat insurance
- Insuring my in-home business
- Personal umbrella policy
- Life insurance



My name and phone number:

(_____) _____

E-mail address:
